

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Reorganized Debtor.

Chapter 11

Case No. 19-34054-sgj11

MARC S. KIRSCHNER, AS LITIGATION TRUSTEE
OF THE LITIGATION SUB-TRUST,

Plaintiff,

v.

JAMES D. DONDERO; MARK A. OKADA; SCOTT ELLINGTON; ISAAC LEVENTON; GRANT JAMES SCOTT III; FRANK WATERHOUSE; STRAND ADVISORS, INC.; NEXPOINT ADVISORS, L.P.; HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.; DUGABOY INVESTMENT TRUST AND NANCY DONDERO, AS TRUSTEE OF DUGABOY INVESTMENT TRUST; GET GOOD TRUST AND GRANT JAMES SCOTT III, AS TRUSTEE OF GET GOOD TRUST; HUNTER MOUNTAIN INVESTMENT TRUST; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1 AND LAWRENCE TONOMURA AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2 AND LAWRENCE TONOMURA IN HIS CAPACITY AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2; CLO HOLDCO, LTD.; CHARITABLE DAF HOLDCO, LTD.; CHARITABLE DAF FUND, LP.; HIGHLAND DALLAS FOUNDATION; RAND PE FUND I, LP, SERIES 1; MASSAND CAPITAL, LLC; MASSAND CAPITAL, INC.; SAS ASSET RECOVERY, LTD.; AND CPCM, LLC,

Defendants.

Adv. Pro. No. 21-03076-sgj

STIPULATION

¹ The last four digits of the Reorganized Debtor's taxpayer identification number are (8357). The Reorganized Debtor is a Delaware limited partnership. The Reorganized Debtor's headquarters and service address are 100 Crescent Court, Suite 1850, Dallas, TX 75201.

**STIPULATION REGARDING FORMER EMPLOYEE DEFENDANTS' MOTION TO
EXPEDITE MOTION TO STAY ADVERSARY PROCEEDING**

This stipulation (the “Stipulation”) is made and entered into, subject to Court approval, in the above-captioned adversary proceeding (the “Adversary Proceeding”) by and among Marc S. Kirschner, as Litigation Trustee of the Litigation Sub-Trust (the “Trustee”), and Scott Ellington, Isaac Leventon, Frank Waterhouse, and CPCM, LLC (the “Former Employee Defendants” and with the Trustee, the “Parties”), by and through their respective undersigned counsel.² In support of the Stipulation, the Parties respectfully state as follows:

WHEREAS, on October 16, 2019, Highland Capital Management, L.P. (“HCMLP”), filed a voluntary petition for relief under title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the Bankruptcy Court for the Northern District of Texas, Dallas Division and captioned *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj11;

WHEREAS, on October 15, 2021, the Trustee commenced the Adversary Proceeding by filing a complaint against Defendants [Docket No. 1] (the “Complaint”);

WHEREAS, on January 18, 2022, the Former Employee Defendants filed the *Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 30] (the “Stay Motion”) and other Defendants joined in the Stay Motion. More specifically, the following Defendants have joined in the Stay Motion:

- a. Defendants Mark A. Okada The Mark & Pamela Okada Family Trust – Exempt Trust #1 and Lawrence Tonomura in his Capacity as Trustee, and the Mark & Pamela Okada Family Trust – Exempt Trust #2 and Lawrence Tonomura in his

² This Stipulation is entered into without waiver of each Defendant’s right to challenge the basis for jurisdiction of the court in this case.

Capacity is Trustee (the "Okada Parties") joined in the Stay Motion on January 21, 2022, by filing their *Joinder of the Okada Parties to the Former Employee Defendants' Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 38];

- b. Defendants NexPoint Advisors LP ("NPA") and Highland Capital Management Fund Advisors LP ("HCMFA") joined in the Stay Motion on January 24, 2022, by filing their *Joinder of Defendants NexPoint Advisors LP and Highland Capital Management Fund Advisors LP to the Former Employee Defendants' Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 41];
- c. Defendants James Dondero, Dugaboy Investment Trust, Get Good Trust, and Strand Advisors, Inc. (collectively, the "Dondero Defendants") joined in the Stay Motion on January 26, 2022, by filing their *Joinder of the Dondero Defendants to the Former Employee Defendants' Motion to Stay the Adversary Proceeding* [Docket No. 49]; and
- d. Defendant Grant James Scott joined in the Stay Motion on January 26, 2022, by filing his *Joinder of Defendant Grant James Scott to the Former Employee Defendants' Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 52].

WHEREAS, on January 24, 2022, the Former Employee Defendants filed the *Motion to Expedite the Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 43] (the "Motion to Expedite") and other Defendants have agreed to a stipulated resolution of the Motion to Expedite, including the Defendants listed above,

as well as Defendants CLO HoldCo, Ltd., Charitable DAF HoldCo, Ltd., Charitable DAF Fund, L.P., and Highland Dallas Foundation (collectively, the "Charitable Defendants"), as confirmed by their signatures below;

NOW, THEREFORE, it is hereby stipulated and agreed, and upon approval by the Court it shall be **SO ORDERED**:

1. The Motion to Expedite is resolved.
2. The deadline for the Trustee to file a response to the Stay Motion shall be February 8, 2022.
3. The Parties request that the Court schedule a hearing on the Stay Motion at the Court's earliest convenience after February 8, 2022.

Dated: January 27, 2022

Respectfully submitted,

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